## LISTING OF THE CLAIMS

This listing of claims will replace all prior versions, and listings, of claims in the application:

1. (Previously Presented) A method of reducing the permeability of a subterranean formation to aqueous-based fluids during the drilling phase comprising the steps of:

providing a water-soluble relative permeability modifier that comprises a hydrophobically modified polymer, wherein the hydrophobically modified polymer comprises a polymer backbone that comprises polar heteroatoms,

placing the water-soluble relative permeability modifier into the subterranean formation during the drilling phase, and

allowing the water-soluble relative permeability modifier to attach onto a surface within the subterranean formation.

- 2. (Previously Presented) The method of claim 1 wherein the hydrophobically modified polymer has a molecular weight of from about 100,000 to about 10,000,000.
- 3. (Previously Presented) The method of claim 1 wherein the polar heteroatoms comprise at least one polar heteroatom selected from the group consisting of oxygen, nitrogen, sulfur, and phosphorous.
- 4. (Original) The method of claim 1 wherein the hydrophobically modified polymer is a reaction product of a hydrophobic compound and a hydrophilic polymer that comprises a polymer backbone comprising polar heteroatoms.
- 5. (Previously Presented) The method of claim 4 wherein the hydrophilic polymer comprises at least one hydrophilic polymer selected from the group consisting of a cellulose, a chitosan, a polyamide, a polyetheramine, a polyethyleneimine, a polyhydroxyetheramine, a polylysine, a polysulfone, and a starch.
- 6. (Previously Presented) The method of claim 4 wherein the hydrophobic compound comprises at least one hydrophobic compound selected from the group consisting of an alkyl halide, a sulfonate, a sulfate, and an organic acid derivative.
- 7. (Withdrawn) The method of claim 6 wherein the organic acid derivative comprises an octenyl succinic acid; a dodecenyl succinic acid; or an anhydride, ester, or amide of octenyl succinic acid or dodecenyl succinic acid.
- 8. (Original) The method of claim 4 wherein the hydrophobic compound has an alkyl chain length of from about 4 to about 22 carbons.

- 9. (Original) The method of claim 1 wherein the water-soluble relative permeability modifier is placed into the subterranean formation in a drilling fluid that comprises the water-soluble relative permeability modifier.
- 10. (Original) The method of claim 9 wherein the water-soluble relative permeability modifier is present in the drilling fluid in an amount in the range of from about 0.02% to about 3% by weight of the drilling fluid.
- 11. (Withdrawn) A method of reducing the permeability of a subterranean formation to aqueous-based fluids during the drilling phase comprising the steps of:

providing a water soluble relative permeability modifier that comprises a hydrophobically modified polymer, wherein the hydrophobically modified polymer is a reaction product of:

a hydrophilic polymer that comprises a polyvinylamine, a poly(vinylamine/vinyl alcohol), or an alkyl acrylate polymer, and

a hydrophobic compound; and

placing the water-soluble relative permeability modifier into the subterranean formation during the drilling phase.

- 12. (Withdrawn) The method of claim 11 wherein the hydrophobically modified polymer has a molecular weight in the range of from about 100,000 to about 10,000,000.
- 13. (Withdrawn) The method of claim 11 wherein the alkyl acrylate polymer comprises polydimethylaminoethyl methacrylate, polydimethylaminopropyl methacrylamide, poly(acrylamide/dimethylaminoethyl methacrylate), poly(acrylic acid/dimethylaminoethyl methacrylate), poly(2-acrylamido-2-methyl propane sulfonic acid/dimethylaminoethyl methacrylate), poly(acrylamide/dimethylaminopropyl methacrylamide), poly(acrylic acid/dimethylaminopropyl methacrylamide), or poly(methacrylic acid/dimethylaminopropyl methacrylamide).
- 14. (Withdrawn) The method of claim 11 wherein the hydrophobic compound comprises an alkyl halide, a sulfonate, a sulfate, or an organic acid derivative.
- 15. (Withdrawn) The method of claim 14 wherein the organic acid derivative comprises an octenyl succinic acid; a dodecenyl succinic acid; or an anhydride, ester, or amide of octenyl succinic acid or dodecenyl succinic acid.

- 16. (Withdrawn) The method of claim 11 wherein the hydrophobic compound has an alkyl chain length of from about 4 to about 22 carbons.
- 17. (Withdrawn) The method of claim 11 wherein the water-soluble relative permeability modifier is placed into the subterranean formation in a drilling fluid that comprises the water-soluble relative permeability modifier.
- 18. (Withdrawn) The method of claim 17 wherein the water-soluble relative permeability modifier is present in the drilling fluid in an amount in the range of from about 0.02% to about 3% by weight of the drilling fluid.
- 19. (Withdrawn) A method of reducing the permeability of a subterranean formation to aqueous-based fluids during the drilling phase comprising the steps of:

providing a water-soluble relative permeability modifier that comprises a hydrophilically modified polymer, and

placing the water-soluble relative permeability modifier into the subterranean formation during the drilling phase.

- 20. (Withdrawn) The method of claim 19 wherein the hydrophilically modified polymer has a molecular weight in the range of from about 100,000 to about 10,000,000.
- 21. (Withdrawn) The method of claim 19 wherein the hydrophilically modified polymer comprises a polymer backbone that comprises polar heteroatoms.
- 22. (Withdrawn) The method of claim 21 wherein the polar heteroatoms comprise oxygen, nitrogen, sulfur, or phosphorous.
- 23. (Withdrawn) The method of claim 19 wherein the hydrophilically modified polymer is a reaction product of a hydrophilic polymer and a hydrophilic compound.
- 24. (Withdrawn) The method of claim 23 wherein the hydrophilic polymer comprises a dialkyl amino pendant group.
- 25. (Withdrawn) The method of claim 23 wherein the hydrophilic polymer comprises a dimethyl amino pendant group and at least one monomer comprising dimethylaminoethyl methacrylate or dimethylaminopropyl methacrylamide.
- 26. (Withdrawn) The method of claim 23 wherein the hydrophilic polymer comprises a polyvinylamine, a poly(vinylamine/vinyl alcohol), or an alkyl acrylate polymer.
- 27. (Withdrawn) The method of claim 23 wherein the hydrophilic polymer comprises polydimethylaminoethyl methacrylate, polydimethylaminopropyl methacrylamide,

poly(acrylamide/dimethylaminoethyl methacrylate), poly(acrylic acid/dimethylaminoethyl methacrylate), poly(methacrylic acid/dimethylaminoethyl methacrylate), poly(2-acrylamido-2-methyl propane sulfonic acid/dimethylaminoethyl methacrylate), poly(acrylamide/dimethylaminopropyl methacrylamide), poly(acrylic acid/dimethylaminopropyl methacrylamide), or poly(methacrylic acid/dimethylaminopropyl methacrylamide).

- 28. (Withdrawn) The method of claim 23 wherein the hydrophilic polymer comprises a polymer backbone that comprises polar heteroatoms.
- 29. (Withdrawn) The method of claim 28 wherein the hydrophilic polymer comprises a cellulose, a chitosan, a polyamide, a polyetheramine, a polyethyleneimine, a polyhydroxyetheramine, a polylysine, a polysulfone, or a starch.
- 30. (Withdrawn) The method of claim 22 wherein the hydrophilic compound comprises a polyether comprising halogen; a sulfonate; a sulfate; or an organic acid derivative.
- 31. (Withdrawn) The method of claim 30 wherein the polyether comprises a polyethylene oxide, a polypropylene oxide, a polybutylene oxide, or a mixture thereof.
- 32. (Withdrawn) The method of claim 30 wherein the polyether comprises an epichlorohydrin terminated polyethylene oxide methyl ether.
- 33. (Withdrawn) The method of claim 30 wherein the hydrophilic compound comprises a polyether and the weight ratio of the hydrophilic polymer to the polyether is in the range of from about 1:1 to about 10:1.
- 34. (Withdrawn) The method of claim 19 wherein the water-soluble relative permeability modifier is placed into the subterranean formation in a drilling fluid that comprises the water-soluble relative permeability modifier.
- 35. (Withdrawn) The method of claim 34 wherein the water-soluble relative permeability modifier is present in the drilling fluid in an amount in the range of from about 0.02% to about 3% by weight of the drilling fluid.
- 36. (Withdrawn) A method of reducing the permeability of a subterranean formation to aqueous-based fluids during the drilling phase comprising the steps of:

providing a water-soluble relative permeability modifier comprising a homo-, co-, or terpolymer of acrylamide, 2-acrylamido-2-methyl propane sulfonic acid, N,N-dimethylacrylamide, vinyl pyrrolidone, dimethylaminoethyl methacrylate, acrylic acid, dimethylaminopropylmethacrylamide, vinyl amine, vinyl acetate, trimethylammoniumethyl

methacrylate chloride, methacrylamide, hydroxyethyl acrylate, vinyl sulfonic acid, vinyl phosphonic acid, methacrylic acid, vinyl caprolactam, N-vinylformamide, N,N-diallylacetamide, dimethyldiallyl ammonium halide, itaconic acid, styrene sulfonic acid, methacrylamidoethyltrimethyl ammonium halide, a quaternary salt derivative of acrylic acid; and

placing the water-soluble relative permeability modifier into the subterranean formation during the drilling phase.

- 37. (Withdrawn) The method of claim 36 wherein the water-soluble relative permeability modifier is placed into the subterranean formation in a drilling fluid that comprises the water-soluble relative permeability modifier.
- 38. (Withdrawn) The method of claim 37 wherein the water-soluble relative permeability modifier is present in the drilling fluid in an amount in the range of from about 0.02% to about 3% by weight of the drilling fluid.

39-68. (Canceled)